

BEFORE THE
UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Inbound Competitive Multi-Service Agreements with
Foreign Postal Operators
PRIME United States Postal Service
Tracked Service Agreement (MC2010-34)
Negotiated Service Agreement

Docket No. CP2020-169

PUBLIC REPRESENTATIVE COMMENTS

(June 23, 2020)

The Public Representative hereby provides comments pursuant to Order No. 5544.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service notice regarding an Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator (FPO).²

Included as Attachment 1 to the Notice is an application for non-public treatment of materials filed under seal. Notice at 1. The Postal Service also filed the — the inbound portions of the competitive product agreement “PRIME United States Postal Service Tracked Service Agreement” (referred to as the “PRIME Agreement”), Governors’ Decision No. 19-1, a copy of the certification pursuant to 39 CFR 3035.105(c)(2), Attachments 2-4. The Postal Service also filed related financial information under seal. See *id.*

The Postal Service requests that the Commission include the PRIME Agreement within the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product. *Id.* at 3. It contends that the PRIME Agreement is functionally equivalent to the baseline agreement filed in Docket No. MC2010-34 because the terms of this agreement are similar in scope and purpose to the terms of the CP2010-95 Agreement. It argues that while there are some variations between the two agreements, many terms and clauses are common to both.

¹ Order No. 5544, Notice and Order Concerning Postal Service Filing of Inbound Competitive Multi-Service Agreement with Foreign Postal Operators, Prime United States Postal Service Tracked Service Agreement, June 12, 2020.

² Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Service Agreement with Foreign Postal Operators, June 11, 2020 (Notice). Docket Nos. MC2010-34 and CP2010-95, Order Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Service Operators 1 to the Competitive Product List and Approving Included Agreement, September 29, 2010 (Order No. 546).

The Postal Service intends for the PRIME Agreement to take effect on July 1, 2020. *Id.* at 1, 5.

The Postal Service contends that the rates are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). It asserts that the financial workpapers demonstrate that the PRIME Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. *Id.* at 55.

COMMENTS

The Public Representative finds that the PRIME Agreement is functionally equivalent to the baseline agreement filed in Docket No. MC2010-34 because the terms of the PRIME Agreement are similar enough to the terms of the CP2010-95 Agreement to belong in the same product grouping. The PRIME Agreement should therefore, be included within the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.

Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

Based upon a review of the financial workpapers, the Public Representative finds that prices in the PRIME Agreement should generate sufficient revenues to cover cost and therefore meet the requirements of 39 U.S.C. § 3633(a).

CONCLUSION

The Postal Service has established the functional equivalence of the PRIME Agreement to the baseline agreement, and that the proposed rates for the PRIME Agreement meet the requirements of 39 U.S.C. § 3633(a). Thus, the Public Representative recommends that the Commission approve adding the PRIME Agreement to the Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Katalin Clendenin
Public Representative

901 New York Ave., NW Suite 200
Washington, D.C. 20268-0001
(202) 789-6860
e-mail: katalin.clendenin@prc.gov